

## **Tennessee Housing Trust Fund**

### ***History***

1988 – Tennessee General Assembly increased the real estate transfer tax and the mortgage recording tax. Increased fund allocated to THDA. Creation of the HOUSE (Housing Opportunities Using State Encouragement) grant program.

1989 to 1999 – Approximately \$100 million allocated by THDA to government entities and not-for-profit organizations for housing (new construction and rehabilitation). Over 13,300 households benefited from the HOUSE program.

2000 – Tax stream temporarily diverted from THDA to the State General Fund by the General Assembly.

2001 – Tax stream permanently diverted from THDA to the State General Fund by the General Assembly.

2005 & 2006 – Bill introduced by Representative Nathan Vaughn to re-establish the HOUSE program. Bill failed to pass.

2006 – General Assembly awarded THDA \$1 million in State appropriation for housing.

2006 – Internal discussions regarding the future of the HOUSE program. Recognition of need to move forward, not continue trying to resurrect the past. Decision to work toward establishing a Housing Trust Fund in Tennessee.

2006 – Met with many industry partners and elected officials to get feedback on a Housing Trust Fund and possible funding mechanisms. Determined that increased taxes would be unrealistic and that THDA would need to be bold and step up with initial resources to make the trust fund a reality.

2006 – THDA Board of Directors approves the use of \$12 million of THDA funds over the next two years to establish the Tennessee Housing Trust Fund. The four-level model for funding will be State appropriation, THDA funds, and private section investment, along with a local match requirement. The fund is established to serve the needs of very low-income, elderly, and special needs Tennesseans.